



ANNUAL REPORT 2000-01



Customer Focused ~ Results Driven



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message from THE MAYOR



WORKING FOR RESULTS

Everything we do as a city affects the quality of life of our residents. Their safety on our streets, or in their homes. Their opportunities to learn and read and grow in neighborhood libraries and schools, or to celebrate in parks and at festivals. The preservation of our open space and hillsides, and the protection of our bay and creeks. The creation of affordable homes, strong and healthy neighborhoods for families, and an economy that sustains our prosperity.

That is why we place such high importance on our performance as an organization and on the results our dedicated employees deliver for the people who live and work in San José. From my perspective as Mayor, a great city is one where residents say they are proud to live here, and where our City's services enable them to express that pride without hesitation.

I am proud of San José, and I think we are a great city. This annual performance report for the City of San José reflects our achievements to ensure that we can continue to improve the quality of life for the people in our community and to strengthen the pride we have living and working here.

And we are making significant progress. With the strong support of San José voters and our community partners, we are investing in parks, libraries, the airport, and neighborhoods. We continue to strengthen our basic systems, technology, and facilities that support our ability to serve the community. We also continue to focus on creative and effective methods to improve the quality and reduce the costs of City services.

The result is what counts — improving and sustaining the quality of life for the people of San José, both today and in the future.

A handwritten signature in black ink that reads "Ron Gonzales".

Ron Gonzales
Mayor

San José CITY COUNCIL



*LINDA J. LEZOTTE
DISTRICT ONE*



*FORREST WILLIAMS
DISTRICT TWO*



*CINDY CHAVEZ
DISTRICT THREE*



*CHUCK REED
DISTRICT FOUR*



*NORA CAMPOS
DISTRICT FIVE*



*KEN YEAGER
DISTRICT SIX*



*GEORGE SHIRAKAWA, JR.
DISTRICT SEVEN*



*DAVID D. CORTESE
DISTRICT EIGHT*



*JOHN DIQUISTO
DISTRICT NINE*



*PATRICIA DANDO
DISTRICT TEN*

CITY COUNCIL IN ACTION

San José residents may tune in weekly to watch their local City Council meeting on cable television. CivicCenter TV, the City's government information channel can be viewed on cable Channel 37A. The channel also provides information about City programs and services. In addition, CivicCenter TV streams audio and video on the web. Click on the City's award-winning web-site at www.ci.san-jose.ca.us and tune in.

perspective of the CITY MANAGER



A RESPONSIVE CITY ON THE MOVE

Throughout the year, and especially since the events of September 11, 2001, we have seen many changes—as a nation and as a community. And, whether these changes occurred suddenly or gradually, the City of San José has demonstrated its ability to respond.

The attacks on New York and Washington D.C. certainly exacerbated the nation's economic downturn, but San José was—and continues to be—well positioned to meet the challenges brought on by both unforeseen changes and by those that we've anticipated.

Despite the declining economy, the City of San José ended the fiscal year in a strong, enviable financial position. The nation's bond rating agencies recognized the City's strong financial management by increasing the City's bond rating to the highest of any large city in California. And for the first time we used the Internet to sell municipal bonds, increasing competition and lowering the City's cost to borrow money. With our strong reserves and the high bond rating, we are well positioned to respond to an uncertain economic future.

This Annual Report details the City's responses to a variety of resident needs. It reveals a city on the move—a city that has provided safer streets, a thoughtful plan for growth, modern libraries and streamlined administrative processes. As you read through these pages, you'll see specific information about many programs and services.

In response to the voters' approval of last November's bond measures to improve City facilities—Measure O for libraries and Measure P for parks—you will find significant progress on improvements to our library branches and parklands.

Over the past year, we have also made great strides in the areas of public safety, transportation and housing. The new Police Metro unit, made up of specially

trained field officers, has significantly reduced crime in problem areas, helping sustain the City's position as the nation's safest large City. The City's Transportation Department responded to City Council traffic calming initiatives in San José neighborhoods. And, our First-Time Teacher Homebuyer Program continued its success, receiving national recognition for how San José is responding directly to critical community needs.

I'm especially proud of the work that all City departments are doing to strengthen our neighborhoods. Our Strong Neighborhoods program is truly a collaborative effort in creating safe, clean and attractive areas throughout San José, and it serves as a compelling example of what can be accomplished when city and community leaders work together.

While we expect to face budget challenges, we remain confident that the quality of services provided to our residents and businesses will sustain the high quality of life that makes San José such a desirable community.

A handwritten signature in dark ink, appearing to read "Del D. Borgsdorf". The signature is fluid and cursive, with a large, stylized "D" at the end.

Del D. Borgsdorf
City Manager

ECONOMIC AND NEIGHBORHOOD DEVELOPMENT

*Manage the growth and change of
the city in order to create and
preserve healthy neighborhoods,
and ensure a diverse range of
employment and housing
opportunities.*

AS THE SILICON VALLEY ECONOMY ROSE AND FELL LAST YEAR, THE CITY OF SAN JOSE MAINTAINED A STEADY, ENVIABLE FINANCIAL POSITION. THIS WAS EVIDENCED IN FEBRUARY WHEN THREE NATIONAL RATING AGENCIES ASSIGNED STRONG CREDIT RATINGS TO CITY BONDS — INDICATING THE CITY’S ROBUST ECONOMIC BASE, MODERATE DEBT BURDEN AND EXCELLENT FINANCIAL MANAGEMENT. THE CITY TURNS ITS FINANCIAL SUCCESSES BACK TO THE COMMUNITY — PROVIDING THE TYPES OF PROGRAMS AND SERVICES OUR RESIDENTS SAY THEY WANT AND NEED.



A FOCUS ON HOUSING

Affordable Housing

The City of San José continues to be one of the nation's leading producers of affordable housing. In May 2001, the City Council renewed its commitment to affordable housing by adding \$13.8 million in Redevelopment Agency funds — for a total commitment of \$27.3 million in Agency funds — to finance the development of housing for extremely low-income families.

Extremely low-income households are those earning less than 30 percent of median income in Santa Clara County, by household size. (For example,

\$18,350 per year for a one-person household and \$34,550 per year for a four-person household.)

In October 1999, the Mayor and City Council approved an ambitious, five-year plan that called for the production of 6,000 units of affordable housing. Production for the first two years was only 21 units shy of the 469-unit target. In 2000-01 alone, with financial assistance from the City, 829 units were completed. Of this number, most (782) are rentals earmarked for low- and very low-income households, and 47 were for-sale

units purchased by first-time homebuyers.

In addition to building affordable housing, the City has implemented a number of programs to help low-income residents and other first-time homebuyers.

During the past two years, the City helped more than 140 San José public school teachers buy their first homes, through the nationally recognized Teacher Homebuyer Program.

In November 2000, the City provided a \$2 million grant to launch the Vernal Fund homebuyer program. The first of its kind in the nation, this homebuyer assistance program designed to help low- and moderate-income families, is a joint effort between the City of San José and the non-profit Neighborhood Housing Services Silicon Valley.

The City also is working with Neighborhood Housing Services Silicon Valley to develop a pilot program to buy, rehabilitate, and resell homes in the Mayfair neighborhood. Preference will be given to Mayfair residents who want to buy their first home. Rehabilitation of the first low-income home is under way.

The City Council also adopted General Plan amendments in February 2001 that added more than 6,000 net housing units to the overall holding capacity.



Almaden Lake Apartments

HOUSING PROGRAMS RECEIVE AWARDS

San José continues to earn local and national recognition for its housing programs. Last year, the City received an Award of Excellence from the National Association of Housing and Redevelopment Officials (NAHRO) for The Grail, a 34-unit homeowner development in east San José.

In addition, the City's Teacher Homebuyer Program received an Award of Merit from NAHRO and a Best Practices Award from the U.S. Department of Housing and Urban Development (HUD). Outreach materials for the City's Teacher Homebuyer Program also won local Addy awards, and four out of six entries were nominated for Bay Area Joey Awards.



Sixteen local teachers found their new homes at the Crescent Parc development.

Housing Rehabilitation

The City's Housing Rehabilitation Program continues to be a popular and widely used program. In Fiscal Year 2000-01, loans and grants for rehabilitation assistance totaled \$5.8 million and were distributed to more than 300 households. During the same time, nearly \$1.2 million in grants was used to repaint the exteriors of 700 units.

Loan Programs

The Office of Economic Development made \$1.3 million in loans available to small businesses in our community in 2000-01.

Economic Development operates two loan programs to help small businesses expand and create new jobs in San José. The Revolving Loan Fund provides from \$10,000 to \$40,000 for working capital, equipment and other needs. Loans from this fund were provided to nine businesses, including childcare

and senior home assistance businesses and, as a result, 27 new jobs were created.

The Development Enhancement Special Fund makes \$50,000 to \$500,000 available for business expansion, equipment and working capital. Loans from this program went to 10 businesses, and 126 jobs were retained, with 46 new jobs added.

Job Training Programs

The Workforce Investment Act, a federal program designed to provide job training and employment assistance, served 25,000 clients last year, its first year of operation under the direction of the City of San José.

Operating from three one-stop career centers in San José, Campbell and Gilroy, the program focuses services on dislocated workers, adult poor, youth and Welfare-to-Work clients. A staff of 15 oversees six programs that provide employment services

for residents of San José and other Silicon Valley communities.

Last year, 1,500 clients enrolled in intensive training programs and 85 percent were hired for full-time jobs.

Besides providing traditional job assistance, the one-stop career centers have become a resource for businesses, offering enterprise zone tax credits, entrepreneurial training and labor market information.

During the fiscal year, the program secured an additional \$6.5 million in federal grants and completed three requests for proposals for \$1 million each.

Another project—the San José First Employment Program—teams with Workforce Investment Act program staff and other community organizations to find work for San José residents. During the past fiscal year, more than 700 individuals were hired or vouchered through this program.

SNI

CREATING LIVEABLE COMMUNITIES

Building Strong Neighborhoods

The Strong Neighborhoods Initiative (SNI) brings together the City and the community in a partnership to build safe and attractive neighborhoods with organized and capable leadership.

In its first year, the initiative has engaged thousands of San José residents in 16 neighborhoods in developing a vision for their community and a neighborhood plan to achieve that vision. The effort involved more than 120 community meetings and workshops focused on building community. Ten new Neighborhood Advisory Committees of community leaders were formed to guide the development of neighborhood plans. And, 16 Neighborhood Teams of City and Redevelopment Agency staff were deployed to support community efforts.

In Spring 2001, the Agency conducted candidate forums and launched a mail-in election for members of a new Project Area Committee. More than 90,000 San José households received ballots listing candidates who represented residents, local

organizations and property and business owners. The new, 55-member committee met in July to review redevelopment plans affecting 19 different neighborhoods in San José. Eleven of those neighborhoods are already developing strategies for improvement that are expected to be completed by February 2002. In one area, Capitol-Goss/East Dobern, a revitalization plan was adopted by the City Council in April 2001.

This year, the City also developed a project management system to help guide neighborhood priorities—whether they are to acquire parkland, improve street lighting build new community centers or plant more street trees. Also, a Strong Neighborhoods web site, www.strongneighborhoods.org, was developed to connect and inform residents.

The Strong Neighborhoods program continues to be a



priority for San José, and during the past year, City departments have enhanced their efforts to provide the services and resources needed by each neighborhood.

Street Pavement Maintenance

The Department of Transportation developed a plan to accelerate street maintenance work on 70 miles of local streets within Strong Neighborhood Initiative areas. This was in addition to the 267 miles of street maintenance work that the Department was scheduled to perform during the fiscal year. Street work in affected areas was placed on the fast track, resulting in all street miles being inventoried, evaluated and assigned for repair and resurfacing prior to the 2001 paving season.

Coordination with both residents and staff allowed for extensive community involvement in this project.

Emergency Preparedness

The resident-based *San José Prepared!* program has worked closely with the Strong Neighborhood Initiative to develop teams of residents who are prepared to take care of themselves in a major disaster. One new team is within the McLaughlin Corridor area, and the Silver Creek area has added teams for various parts of that community.

Public Works Projects

The Department of Public Works has implemented additional Strong Neighborhood projects as well. In the last year, an alleyway improvement project was completed in the Washington neighborhood and contracts were awarded for two other alleyway

projects in the Washington and University neighborhoods.

A number of streetlight installations were also completed including:

- Washington/Guadalupe: 58 streetlights installed, two upgraded, and contract awarded to install 56 ornamental streetlights;
- Edenvale/Great Oaks: 41 Streetlights installed and 13 upgraded; and
- University: five streetlights installed and more than 200 upgraded.

Blight Surveys

The Code Enforcement Division completed blight surveys in support of new redevelopment project areas, a necessary step to allow the use of redevelopment funds to improve neighborhoods.

Code enforcement staff was recognized for outstanding performance in the Mayor's Neighborhood Cleanup Program.

Graffiti Abatement

The Parks Maintenance and Facilities Management divisions in the General Services Department collaborated to continue graffiti abatement in parks within 24 hours of notice. The program includes anti-graffiti tool kits for the 39 park maintenance route crews. Since the effort began two years ago, City staff has eradicated more than 97,000 tags, covering 340,000 square feet of surface in city parks. And, the number of tags throughout the City have significantly decreased — from 35,744 tags in 2000, to 10,498 in 2001.



HUMAN RESOURCES AWARDS

In March 2000, the City of San José's Human Resources Department received an award for excellence from the Northern California Chapter of the International Personnel Management Association. And, in October 2000, the international organization presented a separate award to the Department for excellence in City employee programs.

Among outstanding Department projects is the Return-to-Work Program. In 2000-01, five employees were placed in full-time, alternate positions, netting an estimated \$700,000 savings to the Federated Retirement System. Additionally, an estimated \$30,000 in disability leave was saved by providing temporary placements to 11 employees. The program also assisted several employees who qualified under the Americans With Disabilities Act by coordinating services to get them back to work. Overall, the Return-to-Work Program handled more than 40 cases, involving the unique issues and needs of employees.

TAKING CARE OF BUSINESS

Permitting Assistance/ Retail Attraction and Retention

The Office of Economic Development, together with the departments of Planning, Building and Code Enforcement, Public Works and Fire, and the Redevelopment Agency, played a key role in permitting assistance and facilitation of major retail projects.

As a result, Westfield Shoppingtown-Valley Fair opened a new Nordstrom flagship store and added 70 new shops, and Westfield Shoppingtown-Oakridge received a new planned development zoning that will allow for the addition of more than 394,000 square feet of premier retail and entertainment shops. Construction also is under way at Santana Row, formerly Town and Country Shopping Center, for 575,000 square feet of commercial space, 404 hotel rooms and 1,200 residential units.

In May 2000, San José became the first city in the state, and perhaps the nation, to issue permits online using digital signatures and electronic payments. More than 20 types of high-volume permits were offered online through a standard web browser. Last year, building permits were issued for \$1.6 billion worth of construction, a record amount in the City of San José.



Rendering of Santana Row

Zoning Code Updated

In February 2001, amendments to the City's Zoning Code became effective. The changes simplified and improved the internal organization of the code, while updating land use provisions to reflect modern-day issues and better align the zoning districts and regulations to implement the San José 2020 General Plan.

Staff from the Planning, Building and Code Enforcement Department also streamlined zoning procedures to eliminate duplication and to allow multiple approvals to be granted with one development permit.

Urban Land Institute Study

To preserve street-level retail spaces in the downtown core, City Council approved a moratorium in December 2000. The Redevelopment Agency coordinated an extensive public process that helped craft a permanent Ground Floor Ordinance, which

the Council approved in March of 2001.

The ordinance covers Downtown leasing and has been progressing in stages. Stage one created a complete inventory of available retail space and building conditions. The second stage involves marketing space that is currently available. And, the third stage is focused on the leasing of future space.

Neighborhood Business Districts

Throughout Fiscal Year 2000-01, improvement projects in Neighborhood Business Districts involved some 67 facade improvements, with another 63 in the process of being completed. In addition, 38 house-painting projects were finished, including 23 on Story Road and 15 in the Washington Guadalupe Neighborhood.

The Redevelopment Agency established the Neighborhood Business District program in 1984 to revitalize and encourage

private investment in San Jose's older commercial neighborhoods. Since the program began, the Redevelopment Agency has invested more than \$70 million in Neighborhood Business Districts.

Some planned improvements in Neighborhood Business Districts include:

- Construction of a new

youth center at Pala Junior High School;

- Construction of a new Horace Mann Elementary School;

- New trees, landscaping, sidewalks, and parking in Japantown;

- New street lights and landscaping and development of an Emergency Housing Consor-

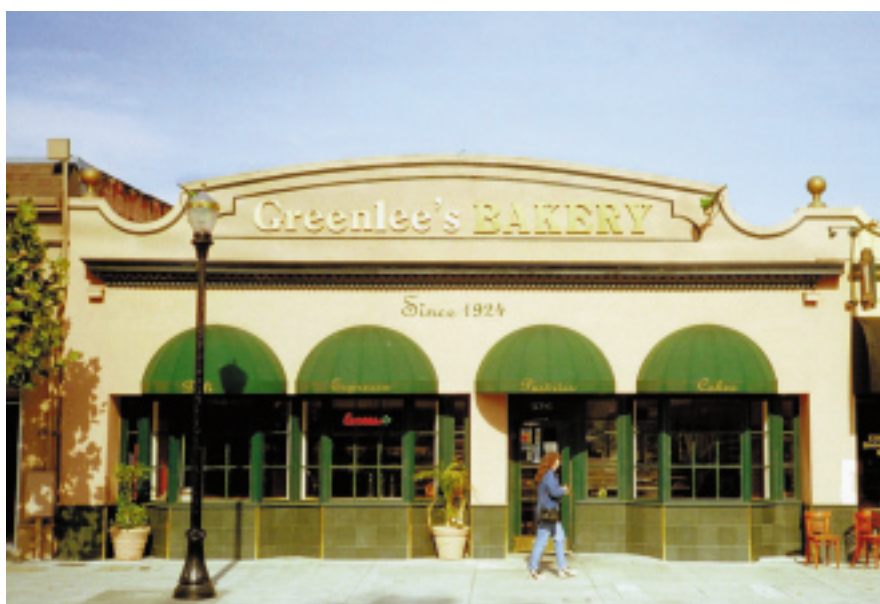
tium residential facility along the Monterey corridor;

- Rehabilitation of the Tropicana Shopping Center near Story Road;

- Renovation of the historic Alameda Bridge near The Alameda;

- Improvements to the West San Carlos Shopping Center; and

- Initiation of design for Prusch Park fencing and lighting.



Improvements in Neighborhood Business Districts included a number of facade enhancements.



Edenvale Area

About 200,000 square feet of additional development will be added to the Edenvale industrial area by the end of next fiscal year. Construction began in the summer of 2001.

The Edenvale-Hellyer-Piercy Improvement District was formed in August 2000 to provide the infrastructure that will support a total of 2.8 million square feet of industrial development when all improvements are complete.

The first phase of construction is expected to be complete by July 2002. The project also will incorporate interchange upgrades at Route 101 and Blossom Hill Road and at Route 101 and Hellyer Avenue, along with numerous traffic improvements designed for pedestrians and bicyclists.

The project is being coordinated by staff from Public Works, the Redevelopment Agency, the City Attorney's Office and the departments of Finance, Transportation, and Planning, Building and Code Enforcement.

PLANNING FOR THE FUTURE

Convention Facilities

In FY 2000-01, the daily occupancy of the San José Convention Center was at 89 percent. More than 280 events took place — conventions, trade shows and corporate, community and government activities — drawing 626,890 attendees. Among the economic benefits brought by these events to the City of San José last year were:

- Hotel occupancy was 70 percent, exceeding the average national and Pacific Regional occupancy and room rates for upscale hotels.



San José Convention Center

- Visitors to the San José Convention facilities spent more than \$163 million at local hotels, restaurants, attractions and other businesses. Out-of-town convention and trade show delegates spent approximately \$1,227 per visit; exhibitors spent about

\$1,615 per visit, and local and regional delegates spent approximately \$152 per visit.

During FY 2000-01, Convention Center staff started developing design and financing options for an expansion plan to meet the needs of Silicon Valley corporations and major trade shows. The plan would expand exhibit space to 300,000 square feet, and meeting room and ballroom space to 160,000 square feet.

BUILDING DEPARTMENT RECOGNIZED

In March 2000, the California Building Officials group selected San José's Building Division as its Building Department of the Year—an honor that is given to only one of 500 jurisdictions in the state.

The California Building Officials cited San José's commitment to innovation as one reason for the award. The City staff implemented a new Document Imaging System, along with online permitting and an up-to-date web page. In addition, the Building Division is presently undertaking its most ambitious project—an Integrated Development Tracking system that will provide a state-of-the-art, fully automated, paperless delivery system.

Also recognized was the Division's web site, which received a Best of the Web award from the Center for Digital Government and Government Technology Magazine. San José uses cutting edge technology for digital signatures and has successfully reduced the red tape for customers applying for routine construction permits. Online permits have resulted in a significant decrease of customers who visit the permit center in person—from 44,000 three years ago, to a projected total of 35,000 in 2000-01 — despite the dramatic increase in construction activity.

Downtown Strategy

By February 2001, a task force, working with the San José Realtors Association, had approved the Greater Downtown Strategy Plan, which includes more than 100 strategies for shaping the future of the downtown area.

Key elements of the plan are recommendations for such topics as the public realm, urban form and buildings, transportation and access, historic assets, economic

projections, and human services. An additional 94 strategies and 354 action items are divided by 12 downtown geographic areas.

New Civic Center

The downtown Civic Center project continued to move forward last year as designs for the new facility were completed and construction documents were prepared.

During the summer, major storm drain and sanitary sewer facilities were relocated from the project area.

Since this was the first construction activity to take place, special emphasis was placed on being a good neighbor to downtown residents and businesses during construction. The City worked with adjacent San Jose State University to complete the work before the fall semester began and coordinated with

nearby developments such as the new Horace Mann Elementary School and the Fourth and San Fernando Parking Garage.

Public outreach efforts were expanded to ensure building impacts are minimized within the community and that residential and business concerns are adequately addressed. This level of communication will continue throughout all of the project's construction phases.

At the same time, historic homes are being moved from the impacted area. To date, 13 properties have been acquired, and by August 2001, eight of those houses had been moved to a site at Fourth and Washington streets. The remaining five houses will be moved by the end of the year.

Currently, the City is responding to a legal challenge regarding the use of Redevelop-

ment Agency funds for site acquisition and the project schedule will be impacted by the outcome.

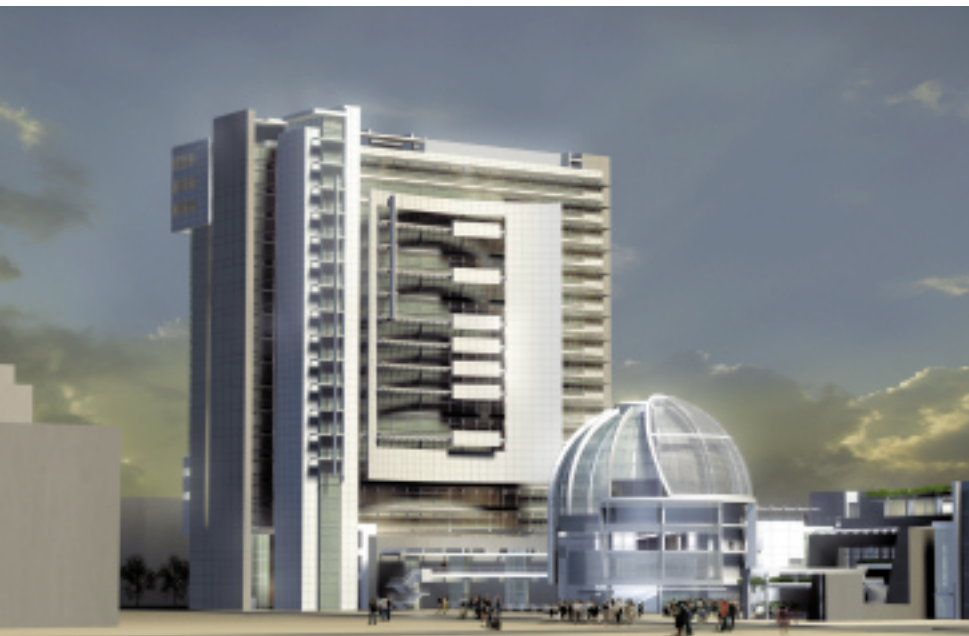
Pala Youth Center

About six years ago, members of the Alum Rock/Pala community raised concerns about a lack of programs and facilities for youth in the area on White Road, from Story to McKee. Those concerns soon materialized into plans for the Pala Youth Center, which is now close to becoming a reality. Design of the center was completed in May 2001 and the project is slated for completion in 2003.

The Redevelopment Agency had earmarked \$7.2 million for the design and construction of the youth center. Additional City funding of \$500,000 will go to the school district for other infrastructure improvements to support school and youth activities.

Together, the Redevelopment Agency, the Alum Rock Union School District and the local group People Acting in Community Together (PACT) chose a site for the youth center — at Pala Middle School.

The 17,000-square-foot facility will provide a central location for youth programs and services, and will support community use in evenings and on weekends. The center will offer a positive place for youth to gather and participate in sports, and arts and cultural programs.



An artist's rendering of the new Civic Center.

AVIATION SERVICES

*Provide for the air transportation
needs of the community and the
region at levels that are acceptable
to the community.*

IN THE MIDST OF AN IMPRESSIVE 10-YEAR IMPROVEMENT PLAN, THE AIRPORT IS WORKING HARD TO BE A "GOOD NEIGHBOR" IN THE COMMUNITY. IN JANUARY 2001, A FULL-TIME COMMUNITY LIAISON WAS APPOINTED, AND COMMUNITY MEETINGS WERE HELD THROUGHOUT THE CITY. BETTER COMMUNITY INPUT IS GIVING RESIDENTS THE OPPORTUNITY TO HAVE THEIR IDEAS AND SUGGESTIONS INCORPORATED INTO THE NEW AIRPORT DESIGN AND OPERATION, AS WE PLAN A STATE-OF-THE-ART FACILITY THAT WILL SERVE OUR COMMUNITY'S NEEDS WELL INTO THE FUTURE.



FOCUSING ON SERVICE TO THE COMMUNITY

Taking customer service seriously

In May 2000, the Airport introduced an Ambassador program to make sure visitors have a favorable experience during peak travel seasons, such as on major holidays and during summer months. Airport employees, who serve as ambassadors, are stationed at high-traffic locations throughout the terminals to assist customers with Airport services and to provide information. Host Volunteers, coordinated through a partnership between the San José Convention and Visitors Bureau and the City, staff the Airport's two information booths. In its first year, 200 Airport employee ambassadors and 200 Host Volunteers were on location to assist some 13 million travelers at San José International Airport.

The Airport is also working on an expanded Customer Service Program to assist customers while the Airport is under construction. This program will improve services by using uniformed Customer Service Ambassadors and Host Volunteers, and by incorporating remodeled and prominently placed information booths with overhead flight information displays. Customer service mentoring will be established for new employees, and an expanded customer service training program will be created for everyone, including all



Terminal A

Airport business partners, who has an impact on customers. A customer service video, completed in March 2001, will serve as a training tool for Airport and tenant employees.

New International Air Service

In Fiscal Year 2000-01, San José International Airport began air service to two important high-tech business centers—Ottawa, Canada and Taipei, Taiwan. Taipei became the second city in Asia with nonstop service from San José. Taiwan is the world's third largest high-tech center and the third largest export market for San José, with exports valued at \$3.1 billion in 1999. A connection between Silicon Valley and Taipei is vital

to the economic interests of both regions. Along with the passenger traffic, large shipments of cargo will be transported from San José to Taipei and from there to other parts of Asia.

The Airport also had its first nonstop flight to Europe this year with service to Paris, France. Because the Paris region is becoming a technological focal point in Europe, this transportation link will be an important connection. France is San José's fourth largest export market in Europe, with exports of \$570 million in 1999. Paris is also one of the most popular tourist destinations in the world and serves as a gateway to the rest of Europe.

This past year the City celebrated another milestone in

Air Service Developments

Given the slowdown in national and international air travel since the Sept. 11, 2001 terrorist attacks, non-stop service to a number of markets by carriers out of the Airport have been cancelled or scaled back. Flight schedules are subject to continual change based on market conditions. For the most current information, travelers should check with specific air carriers.

air travel — 10 years of service between San José and Tokyo, Japan. Japan is an important destination both for business and leisure travel. It is one of the leading high-tech centers of the world. As the Silicon Valley economy diversifies, the passengers and cargo—from fresh flowers to high technology—reflect the many interests our regions share.

Runway Construction

Construction on one of the Airport's two commercial runways, Runway 30R, was

completed in fall 2001. The finished runway was repaved and extended to 11,000 feet. Construction involved pouring more than 200,000 square yards of cement surface and the use of over 70,000 tons of asphalt concrete.

Runway 30R will be used as the main runway, while the Airport begins construction to repair, repave and extend Runway 30L. When the two runways are completed, the Airport will be able to use one runway for landings and one for take-offs, improving Airport operations and safety.

Acoustical Treatment Program (ACT)

The Airport's Acoustical Treatment Program (ACT) wrapped up the noise reduction treatment of some 1,390 homes in June 2001, making this multi-year effort nearly complete.

Last year, acoustical treatment was offered to an additional number of property owners within the project area, and another 100 homes were added to the schedule for acoustical treatment. Work on these homes is expected to begin in spring 2002. The ACT Program is also in the design stages for acoustical treatment of two schools in San José, the Center for Employment Training and Sacred Heart School.

Alternative Fuel Program

The Airport conducted a free Clean Fuel Users Workshop in March 2000 to share information with ground transportation providers on cleaner fuels, vehicles and operations. The Airport has chosen compressed natural gas (CNG) as its designated alternative fuel, and plans to open a CNG refueling station at the Airport in the second quarter '02. A new A new taxi contract was also approved that includes requirements for alternative fueled vehicles.



Since November 2000, 16 new food and beverage concessions opened at San José International including Lappert's Hawaiian Ice Cream, Expedia.Com Internet Café Bar, Starbucks, and Gordon Biersch. A new Duty Free Shop was opened in Terminal A early this year. High-speed wireless Internet access was also made available in both terminals in February 2001. To ensure passengers have a positive travel experience, during winter 2000, covered walkways or Commute-A-Walks were installed at United and Delta Airlines to shelter passengers from the weather while they walked between the Airport terminal and aircraft.



TRANSPORTATION

*Provide for the surface
transportation needs of the
community and neighborhoods
with linkages to the region.*

IN CALIFORNIA'S THIRD-LARGEST CITY, WHERE POPULATION FIGURES CONTINUE TO CLIMB AND HOUSING IS STILL AT A PREMIUM, SOLUTIONS TO TRANSPORTATION ISSUES ARE OFTEN ELUSIVE. BUT, LAST NOVEMBER, LOCAL RESIDENTS WENT TO THE POLLS FOR ANSWERS TO THEIR TRAFFIC WOES. THEY GAVE A GREEN LIGHT TO MEASURE A — THE \$6 BILLION SALES TAX EXTENSION THAT WILL BRING BART TO SAN JOSE. COUPLED WITH THIS REGIONAL INITIATIVE, THE CITY INITIATED ITS OWN WORK TO CALM TRAFFIC ON NEIGHBORHOOD STREETS, MAKING THEM SAFER AND LESS CONGESTED.



RELIEVING TRAFFIC CONGESTION

Traffic Calming

In response to increased concerns about speeding and other transportation-related safety and livability issues in neighborhoods, the City Council approved a new traffic calming policy in June 2001, revising an earlier policy. Traffic calming is one method used to improve the quality of life for our residents and to increase their safety when driving, walking or riding their bicycles.

The traffic calming policy covers the installation of such things as crosswalks, stop signs, bicycle lanes, traffic circles and diverters. The new policy will allow for more timely installation and testing, and residents are already seeing results. Decisions about traffic calming devices are based on studies of many factors including speeds, volumes, crashes, unusual road conditions, schools, and new development impacts. There are typically 1,200 traffic studies carried out each year.

Since the City has not dedicated staff or dollars to this effort

in recent years, the new policy represents a significant shift. Last year, the Council approved the addition of new traffic enforcement officers and an additional photo radar van to be used in neighborhoods. There will also be an increased focus on making necessary on-street improvements near schools to address traffic, pedestrian and bicycle issues.

The City's desire to increase safety and encourage walking and cycling is further reflected in the goals in the City's General Plan. Results include a new Bicycle-Pedestrian Advisory Committee, new user-friendly sidewalk standards, and more funding to install curb ramps at corners. In addition, the City hired a Bicycle-Pedestrian Program Coordinator to help revise creek trail bicycle and pedestrian facilities.

Housing Near Transit

Developing affordable housing units near transit stations is one way to relieve traffic congestion and decrease commuters' stress levels.

The City of San José adopted a Housing Initiative Program in 1989 to encourage high-density housing along existing transit corridors, including the light rail. As of June 2001, 3,981 units in 25 separate affordable housing developments had been completed.

During the past year, three new developments opened their doors: Ohlone-Chynoweth Commons, with 195 units, at the

Ohlone-Chynoweth light-rail transit station; Helzer Court, with 155 units, along the Guadalupe Corridor Light Rail Line; and Monte Vista Family Apartments, with 144 units, at the site of the future Capitol Corridor light rail line.

Housing sites also are being acquired along the proposed Vasona light rail line, and construction on two more projects along the Capitol Corridor has begun. The City cooperates with other public agencies to achieve transit-oriented affordable housing. For example, the Ohlone Chynoweth Commons is located on property leased from the Valley Transportation Authority.

Convenient Access to Downtown San José

Downtown San José continues to develop as a thriving center for businesses during the day, and for the arts, dining and entertainment in the evenings and on weekends. Making it easy for people to come downtown is an important focus of the City and the San José Redevelopment Agency.

To keep up with the demand for parking, the Redevelopment Agency is building a new 775-space parking facility at Fourth and San Fernando Streets. We broke ground on the new facility in early 2001 and the project is slated for completion in summer 2002.

Improved and expanded parking operations, including additional valet parking in



Traffic calming measures are implemented in neighborhoods.

various City facilities and free shuttles from peripheral parking lots and the train station, continued this year. Daily ridership on the shuttles increased with about 850 riders on weekdays.

A parking website (www.sjdowntownparking.com) provides complete information on where to park, and includes details about the City's free parking program available evenings and on weekends.

A downtown access study, being conducted by the City's Department of Transportation and the Redevelopment Agency, was initiated this year to ensure that current and future development effectively integrates all aspects of the transportation system including autos, transit services, bicycles, and pedestrians.

Regional Projects

Santa Clara County voters showed their commitment to improving transit service in the South Bay when they approved a \$6 billion sales tax measure in November 2000. Included in the measure are projects to extend BART to San José, and to expand the VTA Light Rail system throughout Santa Clara County.

Ongoing State and Federal transportation programs are expected to generate another \$3 billion over the next 20 years. San José will benefit from these regional investments including:

- *Route 87 Freeway Project:* This project will eliminate a critical north-south bottleneck in San José and improve vehicle

access to the San José International Airport, Civic Center and downtown San José. It involves upgrading Guadalupe Parkway, between Julian Street and Route 101, to a six-lane freeway. Two of the six lanes will be High Occupancy Vehicle (HOV) lanes.

In 2000-01, progress continued at a rapid pace with major construction on the Taylor Street interchange and on freeway embankments north of Interstate 880. When completed in 2003, the project will relieve what has been chronic traffic congestion through the core of downtown San José.

- *Other Freeway Improvements:* Several other freeway improvement projects moved through the planning and design phase or began construction during 2001. These include: widening I-880 from Montague Expressway to First Street; widening Route 101 from Bernal Road to Morgan Hill; and completing the Route 85/87 interchange.

BART to San José

In November 2000, voters approved Measure A, earmarking \$2 billion in local funding toward developing the BART to San José project. Of the estimated cost of \$3.7 billion, an additional \$1.3 billion will come from the State of California and Alameda County, with the remainder expected to come from federal sources. Project leader is the Santa Clara Valley Transportation Authority.



*Ohlone-Chynoweth Light Rail
Transit Station*

The VTA selected the consultant team of Earth Tech in February 2001 to complete a Master Investment Study and environmental reviews. The investment study is expected to be adopted before the end of this year, with environmental reports expected to be completed by Spring 2003. The City's goal is to begin project construction in 2005 and begin service by 2010.

Light Rail Expansion

Construction is now under way to extend light rail. The Tasman East and Capitol Corridor projects will provide an 8.3-mile extension serving the Berryessa and East San José areas, and the Vasona Corridor project will provide a 6.8-mile extension between Downtown San José and Campbell. Each of these projects is scheduled to be complete and open for service in 2004.

Work on the Downtown/East Valley light rail corridor is also progressing. This project will provide a 4.3-mile light rail connection between Downtown San José and the Capitol line, and will extend service in the Capitol Corridor south to the Eastridge Mall area. The completion goal for this project is 2008.

ENVIRONMENT AND UTILITY SERVICES

*Manage environmental services
and utility systems to ensure a
sustainable environment for the
community.*

THE ENVIRONMENT AND ALL THAT PROTECTS IT — FROM PRESERVING GREEN SPACES TO CONSERVING NATURAL RESOURCES — CONTINUES TO BE A PRIORITY FOR THE CITY OF SAN JOSE. BECAUSE OF THIS COMMITMENT, THE CITY WAS WELL PREPARED WHEN ROLLING BLACKOUTS HIT THE STATE, EXPANDING ALTERNATIVE POWER SOURCES, WHILE REDUCING ENERGY CONSUMPTION. THE CITY COUNCIL ALSO APPROVED A NEW SOLID WASTE COLLECTION PROGRAM — ENSURING THAT SAN JOSE'S RECYCLING AND GARBAGE PROGRAMS CONTINUE DELIVERING HIGH QUALITY SERVICES TO EACH RESIDENT.



DOING OUR PART TO SAVE ENERGY

The City of San José has been implementing energy conservation efforts for several years, replacing outdated mechanical equipment, converting to energy-saving lighting, installing double-glazed windows, and incorporating energy efficient systems into building designs.

When statewide power supplies became critical earlier this year and conservation measures were called for, every department in the City looked for additional ways to respond to the crisis. Among these were:

City Facilities

In February, the General Services Department implemented an aggressive energy conservation effort for community centers, libraries, Civic Center, corporation yards and fire stations. Within a month, changes were being made throughout the City, and by May, employees had reduced their energy consumption by more than 12 percent (compared with 1999 energy use), well over the Mayor's 10 percent goal. The three-month conservation effort focused on:

- Reducing operating hours for the heating, ventilation and air conditioning equipment;
- Adjusting thermostats to 68 degrees for heating and 78 degrees for cooling;
- Reducing lighting levels to the minimal standards as pub-



Energy-saving overhead street lights

lished by the Illuminating Engineering Society. In some cases, lighting levels were reduced beyond the standard, based on special operational circumstances;

- Turning off office equipment after business hours; and
- Conducting multiple lighting audits and retrofits at various City facilities, resulting in chiller replacements, installation of motion sensors and installation of Energy Management Systems.

General Services continues to coordinate audits on City facilities to determine if other energy-saving improvements are feasible. The department goal is to develop a five-year Capital Improvement Program that addresses well-defined projects with reasonable payback periods.

Department of Transportation

Energy-saving measures implemented this year, included

switching streetlight lamps to low-pressure sodium lamps, retrofitting lamps in traffic control signals with light-emitting diodes (LEDs) and equipping parking facilities with energy-efficient lighting.

In addition, the department programmed traffic control signals in residential areas to stay red (utilizing LEDs) until vehicles approach.

San Jose Convention & Cultural Facilities

Staff has reduced lighting levels throughout the facilities and is working with clients to do the same. Other energy-saving measures have focused on escalator use, heating, ventilation and air conditioning levels, exterior fountains and electronic signs. In addition, light switches in several areas have been replaced with motion/infra-red sensors.

The convention center staff is considering a number of future

improvements, as well. These include evaluating the use of solar power in suitable areas on the Convention Center roof, implementing a new energy management system that allows staff to program heating, air conditioning and lighting levels and upgrading 950 lights in the parking garage to fluorescent.

Fire Stations

Remodeled fire facilities were made more energy efficient with more insulation and less lighting. Fire personnel also lowered thermostat settings and reduced exterior lighting on stations.

Airport Facilities

At the Airport, conservation efforts resulted in nearly a 10 percent reduction in electrical use between January and May. Efforts to reduce consumption focused on the largest energy consuming structures: Terminal A, Terminal C, the garage, and the airfield. Lighting systems were retrofitted, motion detectors were placed on light circuits and exterior light sensors were installed or replaced. In addition, the fountains at Terminal A were shut off and drained for considerable savings. Within the terminals, building temperatures were adjusted and operating hours for Terminal A escalators were reduced in the late evening hours.

Planned improvements this year include running the emergency generator simultaneously during peak hours of Stage 3

alert days, using occupancy sensors where practical, replacing fan motors and installing an Energy Management Control System.

Parks and Community Buildings

Thermostats are lower in park buildings throughout the City. In all programs, lighting and equipment have been minimized and exterior and parking lot light timers have been re-adjusted. Staff is also researching the use of energy efficient appliances.

Police Department Buildings

Even the custodial staff participates in the City's effort to reduce energy, with workers turning down lights during evening cleaning routines. Police buildings have also undergone energy efficient lighting retrofits and lowered thermostats.

Libraries

Exterior fountains have been converted to flowerbeds and there are battery-powered lights in closet areas. In addition to the lighting retrofits and temperature

adjustments, the libraries have shut down electronic message boards and unplugged refrigerators in community rooms.

Energy Generation Opportunities

In March 2001, the Council adopted the Smart Energy Plan, which directed staff to research energy generation opportunities on City-owned properties. City staff identified several potential locations that would be appropriate for new power plants, while protecting our economy, neighborhoods and environment.



In addition, the City would consider small, clean and green power plants that could be built faster and relieve demand on the power grid. These plants would be located in industrial areas - not in residential neighborhoods. A list of applicants was developed for potential energy generation opportunities, and was presented to the Council in June.

Community Outreach Activities

The City sponsored or participated in a number of activities to help residents and business owners learn more about energy issues.

LOOKING FOR SMART WAYS TO GENERATE ENERGY . . .

Energy Fair:

Almost 3,000 residents attended an energy fair at the San José Arena in April 2001. The event included more than 20 vendors of energy efficient and renewable technologies, along with a series of workshops. Participants heard discussions on

how to read their bills and meters, how to save energy as homeowners and renters, and how to build and finance solar energy options.

Energy Efficiency and Small Business Workshops:

The City is working with Pacific Gas and Electric to

increase the participation of small businesses in the energy efficiency programs administered by PG&E. Several workshops have been held in partnership with the area Chambers of Commerce.

Cool Communities Program:

San José also has executed an agreement with PG&E that enables the City to provide financial incentives to property owners for the installation of “Energy Star” cool roofs at commercial building sites.

Green Building/Million Solar Roofs Program:

The Environmental Services Department used grants from the California Integrated Waste Management Board and from the Department of Energy to provide information and workshops on green building and solar technologies. Green building uses construction practices that protect the natural environment, maximizing environmental, economic and social benefits. The department receives more than 50 requests per week for information related to solar technologies.

AWARD OF EXCELLENCE

In 2000, the U.S. Environmental Protection Agency gave the San José/Santa Clara Water Pollution Control Plant its highest award for excellence in operations and maintenance. The Plant, administered by the City of San José, meets 100 percent of some of the most stringent water quality regulations in the nation, which in turn protects San Francisco Bay and its wildlife.



AND PROTECT OUR NATURAL RESOURCES

Recycle Plus

Based on preliminary data from the State, San José residents and businesses have helped the City surpass a mandatory 10-year goal of reducing the amount of garbage going to landfills by 50 percent. We are apparently the only large city in California to have done so by the year 2000.

In March 2001, the San José City Council approved new contracts with residential garbage and recycling haulers and street sweepers. The largest set of solid waste collection contracts in the country, these agreements total roughly \$600 million over 11 years beginning in July 2002. Compared to the cost of extending the existing contracts, the City will save roughly \$90 million.

This action represents the culmination of a three-year process to enhance San José's residential garbage and recycling program by improving customer service, increasing diversion from landfills, and continuing to provide high quality service at the best cost.

Service enhancements in the new program, which will begin in July 2002, include:

- Distribution at no extra charge of wheeled recycling carts, which will eliminate the need for sorting except for cardboard, used motor oil, and oil filters (commingled recycling bins will

be distributed to apartments, condos and mobile homes)

- An option to subscribe to a 20-gallon garbage mini-cart, at a reduced rate (\$14.50)

- An option to subscribe to a yard trimmings cart at a rate of \$1 (with loose-in-the street continuing for all others except in the "mandatory" areas that currently use tarps or other collection methods due to high traffic, bike lanes, red zones, etc.)

- Street sweeping will be increased from once to twice monthly

The new system was designed after several pilot programs were conducted throughout San José to test operational efficiencies and gauge customer acceptance. An overwhelming number of participants—more than 95 percent—favored the new commingled recycling system because it saved sorting time and eliminated the need to carry heavy recycling containers.

Fleet Consolidation

More than 340 vehicles in the Environmental Services Department became part of the Citywide fleet management program in July 2000, when General Services consolidated all repair and preventative maintenance work on City vehicles and construction equipment.

The move to centralize management of all fleet activities



San José has an extensive recycling program.

ensures that state and federal mandates regarding replacement, maintenance and warranty are met. A state-of-the-art computer system tracks labor time, manufacturer maintenance requirements and repair costs. The consolidation of all fleet vehicles in the City also improves the delivery of services, with six fleet facilities in place to respond to seasonal demands or unanticipated workload peaks.

PUBLIC SAFETY

*Provide prevention and emergency
response services for crime, fire,
medical hazardous and disaster-
related situations.*

IN 2000-01, THE CITY OF SAN JOSE STRENGTHENED ITS ROLE AS A LEADER IN COMMUNITY POLICING, MAINTAINING ITS PLACE AS ONE OF THE SAFEST BIG CITIES IN AMERICA. THE POLICE DEPARTMENT FORMED A NEW UNIT OF SPECIAL OFFICERS SPECIFICALLY TO ADDRESS TARGET-AREA CRIMES, AND MADE PLANS TO OPEN TWO NEW COMMUNITY POLICING CENTERS TO SERVE LOCAL RESIDENTS. SAN JOSE IS ALSO PROUD OF ITS EXCELLENT REPUTATION FOR EFFECTIVE AND EFFICIENT FIRE SERVICES. THE FIRE DEPARTMENT CONTINUES TO ENHANCE AND IMPROVE SERVICES.



KEEPING OUR CITY SAFE

Metro Unit

The Metro Unit, a new Police team made up of 47 specially trained field officers, was established in March 2000. The unit identifies areas within the city that are affected by increased violent crimes, narcotics trafficking, prostitution, and other related nuisance crimes. Since its inception, the Metro Unit has made hundreds of narcotics and prostitution arrests, and confiscated dozens of firearms.

Officers conduct both overt and covert operations, manage demonstrations and large special events, coordinate homeless encampment cleanups every

month, and use bicycles to patrol downtown and other areas. This year, officers logged about 2,000 hours of bike patrol time throughout the city.

In addition to developing and maintaining working relationships with downtown businesses, neighborhood groups and project crackdown areas, officers from the Metro Unit are also assigned to the anti-graffiti office, where they investigate graffiti violations.

In fiscal year 2000-01, the Graffiti Enforcement Team arrested more than 100 taggers for graffiti vandalism, including all members of several major tagging crews in the city. Success-

ful surveillance operations led to the arrest of three adults for vandalizing the 13th Street/ Union Pacific railroad bridge, which had just been repainted at a cost of more than \$20,000 to the City. The unit also arranged for the installation of a motion detector in that area, to reduce graffiti incidents.

Community Policing Centers

Two community policing centers, which opened in 2000, report good community response to the facilities that give residents quick access to police services in their neighborhoods.

The Oakridge Center served an average of nearly 200 people per month during the fiscal year. And, the second facility, the Foothill Policing Center Tropicana, served an average of 125 Eastside residents per month during 2000-01.


Plans are underway to open two more community policing centers, with the City currently reviewing possible sites.

Among services available at the two operating centers are fingerprinting, citation sign-offs, use of the Megan's Law computer, weapons turn-in program and general Police and City information. The centers also have meeting rooms available for Police, community and business groups.



Police Officers in the Horse Mounted Unit.

FIRE STATION NO. 1



In a continuing effort to upgrade older buildings so that they meet current seismic safety standards, the City replaced Fire Station No. 1 on Market Street in downtown San José. The new 15,000-square foot building was dedicated in September 2000. One key design element of the station is natural ventilation, so the entire building is constructed with insulating properties—operable windows that take advantage of the breezes, and materials that enhance the natural, off-peak heating and cooling of the building. Inside the facility, a courtyard helps ventilate and shade the station.

The exterior of the new station is crisp and solid in daylight and jewel-like when lit at night. Building materials are functional, and the structure is grounded on a base of colored concrete block. The rest of the building is a gridwork of cream-colored panels and natural-colored, concrete fiberboard panels.

The \$4.5 million station was a joint project between the architectural design firm of RMW and Associates, the Department of Public Works, the San José Redevelopment Agency and the San José Fire Department.

Crisis Intervention Team

Specially trained Crisis Intervention Team members now total 123 police officers and 31 public safety dispatchers, numbers that are edging closer to the team goal of eventually having 150 trained officers and 115 dispatchers.

Officers and communications personnel who attend the Crisis Intervention Team Academy receive 40 hours of training during sessions dealing with schizophrenia, major depression, bipolar and personality disorders and other topics related to mental illness. The project was developed to diffuse potentially violent situations in the field, thus reducing fatalities and injuries to residents, police and bystanders.

The intervention team utilizes the training in handling service calls that involve the police with people who are mentally ill or in emotional crisis. During this fiscal year, Crisis Intervention Team graduates handled 578 events.

In addition to the officers and dispatchers who graduated from the Academy, representatives from 30 outside agencies also have gone through the Academy training program.

Fire Services

In the past year, the Fire Department has completed a number of major studies on departmental services and processes, including Computer Aided Dispatch, evaluation of training capabilities, and a review

of technology capacity. In addition, a Strategic Plan that evaluated Emergency Response Performance was developed with recommendations for immediate and long-term solutions. These recommendations will form the basis for a comprehensive Master Plan being considered by the City Council in the Fall of 2001.

During the mid-year budget process, the City Council approved funding for several recommended improvements, such as equipping reserve apparatus for quick emergency response and increasing the Fire Protection Engineering staff so that development permits can be processed in less time. A number of additional investment proposals are being considered in the 2001-02 budget deliberations.

RESPONDING TO EMERGENCIES

The Fire Department will evaluate future funding mechanisms—including a bond measure—that will address other recommendations found in the studies. Some of those suggestions are to add new stations and relocate others to improve emergency response, increase support staff and provide technological enhancements to improve data collection, information processing and analysis.

Medical Services

This year, the Fire Department installed automated external defibrillators on the second and fourth floors of City Hall. These publicly accessible, potentially life-saving device are ready to treat victims of sudden cardiac arrest.

As part of the first Public Access Defibrillator (PAD) pilot program in the City's history, the Fire Department is installing a total of 19 units at various City sites, including City Hall, the convention center and City parks facilities. At each site, City staff will be trained to provide this life-saving medical assistance. The Fire Department is now the lead department for all Public Access Defibrillation programs in the City.

By March 2001, the Department had trained six City Hall employees to use the defibrillator, and additional training classes are scheduled. Anyone who is properly trained can open the



Fire Department personnel often participate in volunteer training programs.

cabinets, retrieve the device, and assist a cardiac arrest victim. By having the defibrillators in public places, the time it takes to treat cardiac arrest victims can be significantly reduced.

Paramedic Service

Based on Strategic Plan recommendations, the Fire Department this year requested that seven truck companies be upgraded to Paramedic status during the next budget year. Approval of this budget initiative would mean that all 31 engine companies and all 11 truck companies will be capable of providing paramedic-level services to the community. This would greatly improve the

Department's overall performance to emergency medical calls. Along with all of the other responsible fire agencies in the County, the San José Fire Department continues to negotiate a new contract with the current ambulance provider and Santa Clara County to provide paramedic services.

Fire Prevention

The Bureau of Fire Prevention continues to provide high quality service to our community through public education, investigation of fire causes, plan review, code enforcement inspections and plan checking. During the year, a Fire Prevention Inspector class was conducted to

train incoming fire inspectors and to provide cross-training of our Fire Protection Engineers. Additionally, a process has been initiated to assign one Fire Protection Engineer to each large development project from inception to completion.

In Fiscal Year 2000-01, the bureau received more than 3,000 architectural plans to review and revenue from those plans amounted to more than \$2.7 million—a 44 percent increase over the previous year.

Disaster Preparedness

The City of San José is a founding member of the Collaborative for Disaster Mitigation at San José State University, a partnership of local governments, businesses, and educational and non-profit agencies. During the fiscal year, San José continued its work with the collaborative, co-sponsoring three conferences—one for international participants and two for local businesses.

The 5th annual International Conference on Corporate Earthquake Programs was held in November and featured presentations by both American and Japanese companies. The following month, the San José Office of Emergency Services co-sponsored the Earthquake Safety for Small Business Conference. And, in May 2001, the Office hosted Fires, Floods and Faults II, a conference on disaster mitigation and planning for business leaders.

The collaboration got jump-started in July 2000, when the Federal Emergency Management Agency (FEMA) provided a \$506,000 Hazard Mitigation Grant, via the California Governor's Office of Emergency Services to fund the group. During the initial year, other innovative joint projects were completed, including translations of a flier on children's earthquake fears into five languages.

Metropolitan Medical Task

In May, the Office of Emergency Services used a \$30,000 contract it received from the Department of Health and Human Services to demonstrate a training/exercise system it developed for mutual aid partners. Six fire agencies participated, along with representatives of the Santa Clara County Sheriff's Department, Medical Examiner-Coroner, Public Health Department, Emergency Medical Services, County Communications and private ambulance providers.

Improving Seismic Performance

Apartment building owners this year received important information on how to retrofit their buildings to enhance seismic safety. Practical Solutions for Improving the Seismic Performance of Buildings with Tuck-under Parking, an informational publication, was developed by the City's Housing Department and the Office of Emergency Services.

SEISMIC SAFETY AWARD

The Association of Bay Area Governments (ABAG) Earthquake Program Year 2000 Award was presented to the City of San José for its Residential Seismic Safety Program, which encourages retrofitting of 'soft story' apartments. The award also recognized the Office of Emergency Service's work on informational publications for owners of apartments and other multi-family dwellings.



San José Prepared! class learns search and rescue techniques.

The publication provides for two levels of retrofitting and gives examples of typical San José building types, detailing two retrofitting strategies. Companion pieces include detailed drawings and cost estimates for use by professional engineers in designing retrofit projects for specific structures. These works are considered landmarks, and the State Seismic Safety Commission has expressed an interest in publishing them for statewide distribution.

RECREATION AND CULTURAL SERVICES

*Provide all residents with libraries,
parks, cultural venues and recre-
ation services for life-enjoyment
and life-long learning.*

THROUGH ELECTION BALLOTS, SURVEYS AND VARIOUS FORMS OF FEEDBACK, THE PEOPLE OF SAN JOSE HAVE CLEARLY EXPRESSED THEIR DESIRE FOR QUALITY RECREATIONAL AND CULTURAL OPPORTUNITIES. WITH COMMUNITY SUPPORT, THE CITY IS BRINGING IMPROVEMENTS TO OUR PARKS AND LIBRARIES. NEW PROGRAMS TARGETING YOUTH AND SENIORS HAVE BEEN INITIATED, NEW COMMUNITY CENTERS HAVE BEEN BUILT OR ARE IN THE WORKS, AND A NEW GOLF COURSE WILL OPEN IN LESS THAN A YEAR. THE CITY RECOGNIZES THAT A RESIDENT'S QUALITY OF LIFE GOES FAR BEYOND INFRASTRUCTURE ISSUES, TO PLACES WHERE PEOPLE CAN RELAX, RENEW THEIR SPIRITS AND REVEL IN TIME SPENT WITH FAMILIES AND FRIENDS.



MODEL LIBRARIES FOR TODAY AND TOMORROW

Joint Library Project

Construction of the new Martin Luther King, Jr. Library took a step forward in January 2001 when the planning and development office for the joint operational team opened at San José State University. The installation of 1,325 piles — the primary support for the building — was completed in April 2001, and the first pouring of concrete slab took place in May. The fundraising campaign is also under way, with more than \$1.8 million thus far raised.

Bonds Benefit Libraries, Parks

In November 2000, San José voters approved two bond measures that will fund improvements to libraries and parks throughout the community. Measure O, providing roughly \$212 million in funding for branch library system growth and expansion, passed with nearly 76 percent of voters approving. The measure will fund most of the improvements outlined in the 10-year Branch Facilities Master Plan, approved by the City Council in September 2000.

The plan will essentially rebuild all but three branches in the library system. Of those three, two branches moved into new facilities in 1999 and one is currently under reconstruction.

The plan also will create six new branches to serve areas that have developed over the past 15 years, when population increased 20 percent. New branches will range in size from 12,000 to 26,000 square feet, making the smallest of them larger than most of the current facilities.

A project team of Library and Public Works staff has been formed to oversee the work plan over the next 10 years. By June 30, 2001, three of the projects had begun:

- Blossom Hill (new)
- Berryessa (reconstructed)
- Tully Road (new).

Site acquisition for all

branches is planned for completion by June 30, 2002. The first of the projects will open to the public in mid 2003.

The Library expects circulation to increase with the opening of each renovated or new library facility. Since relocating to new facilities in late fall of 1999, both the Alviso branch and the Biblioteca Latinoamericana have seen increases in the number of books and materials checked out — 64 percent and 116 percent more, respectively.

West Valley Branch

Running on a parallel track, but funded by Construction/Conveyance Taxes, is the West Valley Branch Library reconstruction project. The design development phase has been completed for this project and construction documents are in progress. Plans call for rebuilding this branch adjacent to the existing branch, enabling service at the current facility to continue uninterrupted during the construction period.

Groundbreaking took place this fall, and the opening is anticipated in 2003. At its completion, West Valley will have tripled in size.

24/7 Access

By late August 2000, 55 computers had been installed at the San José Public Library through grants from the Bill and Melissa Gates Foundation,





including computers designated for access by the American Disability Act. A separate Gates Foundation grant enabled construction of a computer lab at Hillview Branch Library, which opened in September and was quickly embraced by the community. The lab offers 11 computers and is used by seniors taking morning Internet classes, students doing homework assignments in the afternoons and the general public searching the Internet or creating personal documents such as resumé's in evenings or on weekends

In September, the Library introduced TeleCIRC (408-279-BOOK), a new program that offers many of the personal account management features of WebPAC, the online catalog. Customers may check due dates or the status of requests, renew items or cancel requests. In addition, the system automatically notifies customers when reserves are ready for pickup or when an item is overdue.

The Library's eBranch program continues to evolve with the addition of numerous databases, most of which are accessible remotely. This year, online book clubs and eBooks made their debut, and an online,

advance computer reservation system for all public PCs was introduced in May. A new public information kiosk is expected to be operational at Eastridge Mall in the fall. As an extension of eBranch, it will provide access to information resources and to the library's online catalog during all hours that the mall is open. The unit also includes a book drop for convenience.

Increase in Activity

Over the past five years, library circulation has jumped by 87 percent. This increase is due to several factors, including the installation of WebPAC, the online catalog. Accessed through eBranch (www.sjpl.lib.ca.us), WebPAC enables residents to search the catalog 24 hours a day, seven days a week. Desired items

may be requested online for pickup at the preferred branch location. Renewals and other personal account management functions can also be handled remotely using WebPAC or TeleCIRC. Twenty-six Express Check! machines have been installed at seven locations to help manage the increase in usage: Dr. King Main Library, Berryessa, Biblioteca Latinoamericana, Calabazas, Cambrian, Educational Park and Santa Teresa. The Library is seeking funding to expand installation to all locations. This would represent the first phase in implementing a new model for library service that emphasizes self-service for routine tasks, freeing staff to provide more personal assistance and increased programming.



RECREATIONAL OPPORTUNITIES FOR ALL

Literacy

Books for Little Hands is in the process of expanding to a multi-component, early literacy program, aided by a three-year grant from the Healthy Neighborhoods Venture Fund. Some 5,350 children at 242 daycare facilities are served by the program, which continues to look for additional participants and sites.

Partners in Reading received two grants from the California State Library, totaling \$49,000, to fund a new “Families for Literacy” program component. Monthly activities bring learners and their families together in a supportive environment intended to help adults gain confidence in their parenting skills and help preschool-age children increase their emerging literacy skills.

Additional funding received from the City of San José, the Bill and Melinda Gates Foundation, and the Wallace-Reader’s Digest Funds enabled Partners in Reading to incorporate a technology component into the adult literacy program.

Wild About Reading, a two-year program that began in 1999, was designed to provide every first- and second-grader in San José public schools with an opportunity to obtain a library card. Library staff visited more than 1,000 classrooms in 135 schools over the course of the program, and issued approximately 8,500 library cards to youngsters. More than 18,500

students received information about the program, which is conducted by the San José Public Library in partnership with Pacific Bell, schools, elected officials and community sponsors. *Wild About Reading* will continue next year as *GOAL: Grade One at the Library*, with a focus on first-graders.

Youth Services introduced a new 2001 summer reading program inviting family participation, thereby encouraging family literacy. Under the new program, which drew 25,000 participants, readers earned points for personal reading, reading to a young child and other selected activities. The Friends of San José Public Library donated funding for prize incentives that could be claimed in exchange for points earned.

Parks Bond Program

Also in the November 2000 election, voters overwhelmingly approved Measure P, San José’s Safe Neighborhood Parks and Recreation Bond, which specifically funds a portion of the Greenprint; a 20-year strategic plan for parks, community facilities, and programs approved by the City Council.

Over a nine-year period, the bond amount of \$228 million provides funding for 90 play areas and restroom renovations at 79 neighborhood parks, two new sports complexes, renovation and expansion of eight community/senior centers, extension of the City’s recreational trail system, improvements at three regional parks, and a major expansion and renovation of Happy Hollow Park & Zoo.



Almaden Lake Park

In early 2001, design work was begun on nine of the neighborhood park projects and two of the community/senior center sites. Before the end of FY 2000-01, design work on a trail project and eight more neighborhood park projects was underway.

Construction contracts for two of the neighborhood park projects were awarded at the end of the fiscal year.

Tuers-Capitol Golf Course

Construction of an 18-hole golf course on a 180-acre site bisected by Coyote Creek and adjacent to Capitol Expressway began in August 2000. The facility will also offer a driving range, putting green and a clubhouse. The design protects the creek's riparian corridor through the course while offering challenging play for its golfers. Construction was completed in August 2001, although the critical turf development period continues until spring 2002, at which time the facility will be opened to the public.

Healthy Neighborhoods Venture Fund

The City of San José expects to receive about \$250 million over the next 25 years from the national settlement with tobacco companies. In August 2000, the City launched its Healthy Neighborhoods Venture Fund Program with a series of public hearings to determine how the funds would be used.

During fiscal year 2000-01, the City held two funding cycles and accepted applications in three categories: 1) Anti-tobacco/anti-smoking/health, 2) Education/health, and 3) Senior services/health.

In December 2000, the City awarded \$6.7 million in grants, including \$758,700 to the Children's Health Initiative project to provide health insurance to uninsured San José children for the remaining six months of the 2000-01 fiscal year, and a commitment of an additional \$2.4 million for future years.

During the cycle two funding process, the City Council approved the continuation of 37 projects that received prior funding and awarded grants to 31 new projects for a total of \$11.5 million. This funding benefits several critical programs, including 30 existing Homework Centers, a Senior Wellness Program for non-English speaking seniors and Project Crossroads, an anti-tobacco program for youth.

Moreland Community Center

In November 2000, the city's newest community center opened its doors to residents in the Moreland-West San José area. The facility features a full gym, offices, full-sized kitchen and two multi-purpose rooms.

Located at Campbell Avenue and Fallbrook Lane, the community center was built in collabora-



A group of seniors practices a song at a local community center.



Homework centers offer a quiet place to study.

tion with the Moreland School District, on property adjoining Castro Middle School. The city's partnership with the district allows the school to use the gym during the school day and the city to have access to both gym and campus in the evenings and on weekends.

Moreland-West San José is the first community center built with a gym, so the Parks and Recreation staff can offer volleyball and basketball camps during the summer and basketball leagues during the winter.

FINANCIAL HIGHLIGHTS

The City of San José takes a conservative approach to financial planning. Years of strong financial management resulted in a significant pay-off this past February, when the country's three top rating agencies upgraded the City's bond rating to the highest among the state's 10 largest cities.

THE CITY'S NEW BOND RATINGS WILL SAVE TAXPAYERS AN ESTIMATED \$6.8 MILLION IN FINANCING COSTS FOR THE TWO GENERAL OBLIGATION BONDS THAT VOTERS PASSED IN THE NOVEMBER 2000 ELECTION FOR LIBRARY AND PARKS IMPROVEMENTS. IN ADDITION, THE HIGH CREDIT RATING WILL ENABLE THE CITY TO BORROW AT A LOWER INTEREST RATE, THUS CREATING A POSITIVE IMPACT ON CITY FINANCES.

Despite the current economic slowdown the national and local economy are facing, rating analysts and others in the financial markets continue to express strong confidence in San José's ability to persevere with little adverse impact on the City's overall finances.

In June 2001, the City issued its first series of general obligation bonds for library and park improvements. This first series, in the amount of \$71 million, funds initial project costs of the voter-authorized levels of \$211.79 million for libraries and \$228.03 million for parks.

In July 2001, the City sold nearly \$200 million in lease revenue bonds by competitive bid for the refinancing of the Convention Center. Total savings from the refinancing will amount to about \$37 million over the next 22 years. The City used the Internet to distribute the information about the bonds and to accept bids.

During the year, San José developed an aggressive financing schedule to help fund a number of projects for the community. Those projects included:

- Tuers-Capitol Golf Course
- Ice Centre refunding and improvements
- Hayes Mansion Phase II refunding and improvements

FINANCIAL REPORTING AWARDS

- For the 13th consecutive year, the Government Finance Officers Association (GFOA) of the United States and Canada awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR).

- For the seventh consecutive year, the City received the Award for Outstanding Financial Reporting issued by the California Society of Municipal Finance Officers (CSMFO) for its CAFR for the fiscal year ended June 30, 2000. The award was issued in recognition of the high level of quality in the annual financial statements.

- For the 10th consecutive year, the City received the GFOA Distinguished Budget Preparation Award for its annual budget for the fiscal year beginning July 1, 2000.

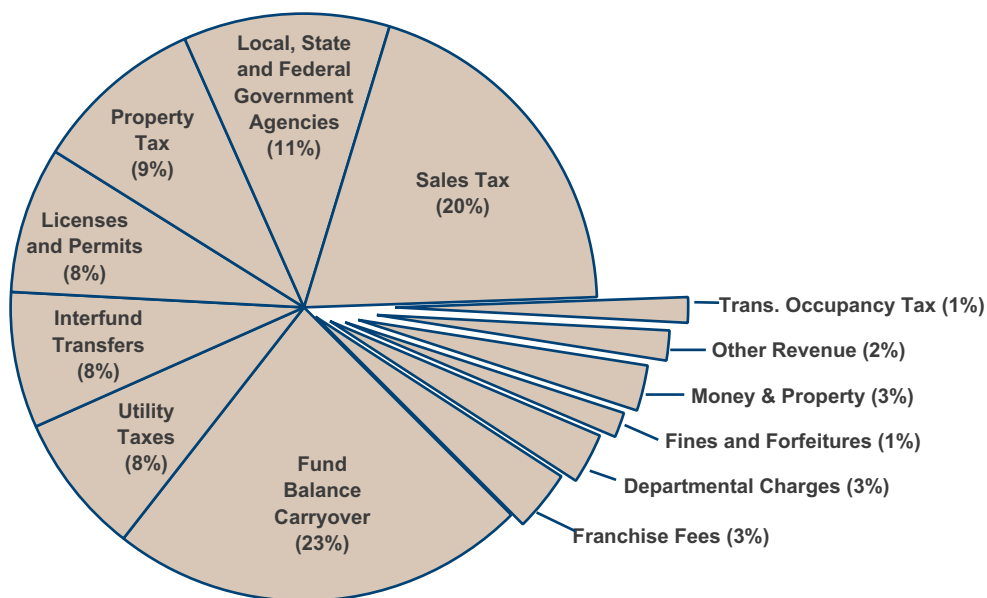
- For the second consecutive year, the City received the President's Special Recognition Award for the 2000 Queensland Public Sector Annual Report Awards. The competition is conducted by the Queensland Branch (Australia) of the Institute of Internal Auditors to recognize excellence in the quality of information in annual reports.

For the first year, the City received the Award for Excellence in Operational Budgeting issued by the CSMFO for its annual budget. The award recognizes an outstanding budget and process.

- Parking garage at 4th and San Fernando
- Four senior affordable housing projects
- Measure O (libraries) and Measure P (parks) implementation

- Communications Center refunding
- Hellyer-Piercy improvements

The total amount of bonds issued for these projects was approximately \$351.51 million.



General Fund Sources FY 2000-01 Actuals

Total General Fund Sources: \$859,964,707

FY 2000-01 SOURCE OF FUNDS (ACTUALS)

GENERAL FUND

Property Tax	\$80,693,571
Sales Tax	\$169,216,984
Transient Occupancy Tax	\$10,919,727
Franchise Fees	\$29,172,059
Utility Taxes	\$67,446,481
Licenses and Permits	\$67,835,873
Fines and Forfeitures	\$11,328,735
Revenue from Money and Property	\$22,354,551
Revenue from Local Agencies	\$38,233,073
Revenue from State Government	\$58,359,407
Revenue from Federal Government	\$2,529,147
Departmental Charges	\$22,933,335
Other Revenue	\$15,279,012
Prior Year Fund Balance	\$197,510,816
Transfers and Reimbursements	\$66,151,936

Total General Fund \$859,964,707

ENTERPRISE FUNDS

Airport	\$310,264,055
Parking	\$21,749,889
Waste Water Treatment Plant	\$242,576,751
Municipal Water	\$25,495,655

Total Enterprise Funds \$600,086,350

SPECIAL REVENUE FUNDS

Internal Services	\$79,456,742
Community Development Block Grant Fund	\$32,068,685
Conventions and Cultural Affairs Fund	\$24,183,226

SPECIAL REVENUE FUNDS (Continued)

Gax Tax -----	\$16,961,701
Housing -----	\$125,842,020
Integrated Waste Management Fund -----	\$82,293,213
Library Benefit Assessment District Fund -----	\$8,878,105
Special Assessments -----	\$9,600,176
Storm Sewer Operating Fund -----	\$16,287,137
Tobacco Settlement Fund -----	\$23,805,541
Transient Occupancy Tax Fund -----	\$19,451,327
Other -----	\$61,496,282

Total Special Revenue Funds	\$500,324,155
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CAPITAL IMPROVEMENT PROGRAM FUNDS

Fund Balances -----	\$593,200,742
Sale of Bonds -----	\$71,000,000
Fees and Charges -----	\$74,317,808
Revenue from Other Government Agencies ----	\$57,509,236
Contributions, Loans, & Transfers -----	\$117,895,860
Interest Income -----	\$15,834,142
Other -----	\$31,721,197

Total Capital Improvement Program Funds	\$961,478,985
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TOTAL SOURCE OF FUNDS (GROSS)	\$2,921,854,197
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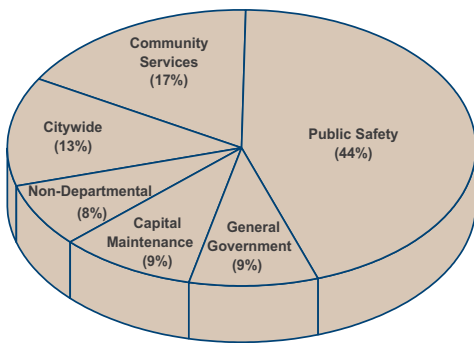
LESS INTERFUND TRANSFERS	\$462,835,677
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TOTAL SOURCE OF FUNDS (NET)	\$2,459,018,520
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FY 2000-01 FUND EXPENDITURES (ACTUALS)**GENERAL FUND****General Government**

Mayor and City Council -----	\$4,751,824
Manager -----	\$5,727,404
Emergency Services -----	\$304,502
Equality Assurance -----	\$925,074
Economic Development -----	\$1,758,519
Attorney -----	\$9,721,672
Auditor -----	\$2,147,750
Independent Police Auditor -----	\$638,895
Clerk -----	\$1,712,711
Civil Service Commission -----	\$18,576
Planning Commission -----	\$12,940
Redevelopment Agency -----	\$1,039,576
Finance -----	\$8,052,969

General Fund Use FY 2000-01 Actuals



Total General Fund Uses: \$645,648,360

General Government (continued)

Human Resources -----	\$4,676,280
Information Technology -----	\$13,968,180
Encumbrances -----	\$2,211,308

TOTAL	\$57,668,180
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Public Safety

Fire -----	\$93,860,871
Police -----	\$189,414,987
Encumbrances -----	\$2,842,925

TOTAL	\$286,118,783
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Capital Maintenance

General Services -----	\$18,920,145
Public Works -----	\$9,294,226
Streets and Traffic -----	\$29,056,264
Encumbrances -----	\$3,359,496

TOTAL	\$60,630,131
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Community Services

Environmental Services -----	\$1,802,606
Library -----	\$19,641,420
Planning, Building and Code Enforcement -----	\$26,900,713
Conventions, Arts and Entertainment -----	\$10,881,192
Parks, Recreation and Neighborhood Services ---	\$45,549,421
Encumbrances -----	\$5,283,177

TOTAL	\$110,058,529
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Citywide

Citywide Expenses -----	\$82,104,136
Capital Projects -----	\$16,443,092
Transfers to Other Funds -----	\$9,977,364
Encumbrances -----	\$22,648,145

TOTAL	\$131,172,737
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GENERAL FUND TOTAL	\$645,648,360
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ENTERPRISE FUNDS

Airport	\$274,783,428
Parking	\$11,120,828
Waste Water Treatment Plant	\$162,610,289
Municipal Water	\$18,860,966

Total Enterprise Funds	\$467,375,511
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SPECIAL REVENUE FUNDS

Internal Services	\$69,931,266
Community Development Block Grant Fund	\$22,604,327
Conventions and Cultural Affairs Fund	\$17,901,996
Gax Tax	\$16,900,000
Housing	\$123,752,123
Integrated Waste Management Fund	\$68,218,873
Library Benefit Assessment District Fund	\$6,700,448
Special Assessments	\$4,064,744
Storm Sewer Operating Fund	\$13,849,758
Transient Occupancy Tax Fund	\$13,681,972
Other	\$51,939,601

Total Special Revenue Funds	\$409,545,108
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CAPITAL IMPROVEMENT PROGRAM FUNDS

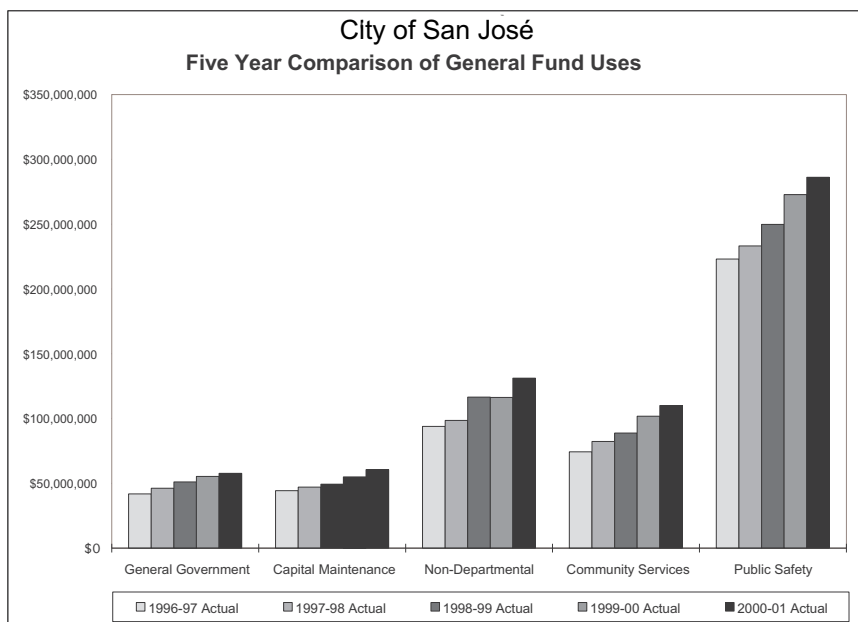
Airport	\$157,243,652
Parks	\$47,474,430
Sanitary Sewers	\$58,128,508
Traffic	\$82,514,012
Water Pollution Control Plant	\$33,050,345
Others	\$72,974,754

Total Capital Improvement Program Funds	\$451,385,701
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TOTAL USE OF FUNDS (GROSS)	\$1,973,954,680
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LESS INTERFUND TRANSFERS	\$462,835,677
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TOTAL USE OF FUNDS (NET)	\$1,511,119,003
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Five-Year
Comparison
General Fund Use

Roster of CITY OFFICIALS

MAYOR AND CITY COUNCIL

Ron Gonzales, Mayor

Linda J. LeZotte, District 1

Forrest Williams, District 2

Cindy Chavez, District 3

Chuck Reed, District 4

Nora Campos, District 5

Ken Yeager, District 6

George Shirakawa, Jr., District 7

David D. Cortese, District 8

John Diquisto, District 9

Patricia Dando, District 10

COUNCIL APPOINTEES

Richard Doyle, City Attorney

Susan Shick, Redevelopment Agency Exec. Director

Gerald Silva, City Auditor

Pat O'Hearn, City Clerk

Teresa Guerrero-Daley, Independent Police Auditor

CITY MANAGER

Del D. Borgsdorf, City Manager

Darrell Dearborn, Senior Deputy City Manager

Jim Holgersson, Deputy City Manager

Jesús Nava, Deputy City Manager

Terry Roberts, Deputy City Manager

Kay Winer, Deputy City Manager

Cynthia Bojorquez, Assistant to the City Manager

Peter Jensen, Assistant to the City Manager

Betsy Shotwell, Intergovernmental Relations

Pamela Jacobs, Quest Partnership

Tom Manheim, Public Outreach Manager

Dottie Disher, Customer Service Manager

Deanna Santana, Council Liaison

SENIOR STAFF

Larry Lisenbee, Budget Office Director

Darrell Dearborn, Interim Economic Development Director

Frannie Winslow, Emergency Services Director

Alex Gurza, Employee Relations Director

Nina Grayson, Equality Assurance Director

Ed Overton, Retirement Director

Ralph Tonseth, Airport Director

Nancy Johnson, Conventions, Arts & Entertainment Director

Carl Mosher, Environmental Services Director

Scott Johnson, Finance Director

Manuel Alarcon, Fire Chief

Jose Obregon, General Services Director

Leslye Corsiglia, Acting Housing Director

Kay Winer, Interim Human Services Director

Wandzia Grycz, Chief Information Officer

Jane Light, City Librarian

Mark Linder, Parks, Recreation & Neighborhood Services Director

Joe Horwedel, Acting Planning, Building & Code Enforcement Director

William Lansdowne, Chief of Police

Rajeev Batra, Acting Director of Public Works

Wayne Tanda, Transportation Director

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